

Senate File 436

H-1118

1 Amend Senate File 436, as passed by the Senate, as follows:

2 1. Page 1, after line 8 by inserting:

3 <Sec. _____. Section 321.69, subsections 1, 2, 3, 4, 7, 8, and
4 9, Code 2019, are amended to read as follows:

5 1. A certificate of title shall not be issued for a motor
6 vehicle unless a damage disclosure statement has been made
7 by the transferor of the vehicle and is furnished with the
8 application for certificate of title. A damage disclosure
9 statement shall be provided by the transferor to the transferee
10 in a transfer of ownership of a motor vehicle. The new
11 certificate of title and registration receipt shall state
12 on the face whether a prior owner ~~had~~ disclosed that the
13 vehicle was damaged to the extent that it was a ~~wrecked or~~
14 ~~salvage~~ severely damaged vehicle ~~as defined in section 321.52,~~
15 ~~subsection 4, paragraph "e".~~

16 2. The damage disclosure statement required by [this section](#)
17 shall, at a minimum, state whether the transferor knows if the
18 vehicle was titled as a salvage, rebuilt, or flood vehicle in
19 this or any other state prior to the transferor's ownership
20 of the vehicle and, if not, whether the transferor knows if
21 the vehicle was damaged to the extent that it was a ~~wrecked or~~
22 ~~salvage~~ severely damaged vehicle ~~as defined in section 321.52,~~
23 ~~subsection 4, paragraph "e",~~ during or prior to the transferor's
24 ownership of the vehicle.

25 3. The damage disclosure statement shall be provided by the
26 transferor to the transferee at or before the time of sale.
27 If the transferor is not a resident of this state or if the
28 transferee acquired the vehicle by operation of law as provided
29 in [section 321.47](#), the transferee shall not be required to
30 submit a damage disclosure statement from the transferor with
31 the transferee's application for title unless the state of the
32 transferor's residence requires a damage disclosure statement.
33 However, the transferee shall submit a damage disclosure
34 statement with the transferee's application for title
35 indicating whether a salvage, rebuilt, or flood title had ever

1 existed for the vehicle, and if not, whether the vehicle was
2 damaged to the extent that it was a ~~wrecked or salvage~~ severely
3 damaged vehicle as defined in section 321.52, subsection 4,
4 ~~paragraph "e",~~ during or prior to the transferor's ownership
5 of the vehicle, and the year, make, and vehicle identification
6 number of the motor vehicle. The transferee shall not be
7 required to indicate whether the vehicle was damaged to the
8 extent that it was a ~~wrecked or salvage~~ severely damaged
9 vehicle as defined in section 321.52, subsection 4, paragraph
10 ~~"e",~~ under this subsection if the transferor's certificate of
11 title is from another state and if ~~it~~ the certificate of title
12 indicates that the vehicle is salvaged and not rebuilt or is
13 another state's salvage certificate of title.

14 4. A lessee who has executed a lease, as defined in section
15 321F.1, shall provide a damage disclosure statement to the
16 lessor at the termination of the lease. The damage disclosure
17 statement shall be made on a separate disclosure document
18 and shall state whether the vehicle was damaged during the
19 term of the lease to the extent that it was a ~~wrecked or~~
20 salvage severely damaged vehicle as defined in section 321.52,
21 ~~subsection 4, paragraph "e".~~ The lessee's damage disclosure
22 statement shall not be submitted with the application for
23 title, but the lessor shall retain the lessee's damage
24 disclosure statement for five years following the date of the
25 statement.

26 7. a. The damage disclosure statements shall be made
27 on the back of the certificate of title if the title is
28 available to the transferor at the time of sale. If the title
29 is not available at the time of sale or if the face of the
30 transferor's Iowa title contains no indication that the vehicle
31 was previously salvaged, ~~or~~ titled as a salvage, rebuilt,
32 or flood vehicle, or previously damaged to the extent that
33 it was a severely damaged vehicle, and the transferor knows
34 or reasonably should know that the vehicle was previously
35 salvaged, ~~or~~ titled as a salvage, rebuilt, or flood vehicle,

1 or previously damaged to the extent that it was a severely
2 damaged vehicle in another state, the transferor shall
3 make the disclosure on a separate disclosure document. The
4 damage disclosure statement forms shall be as approved by the
5 department. The treasurer shall not accept a damage disclosure
6 statement and issue a title unless the back of the title or
7 separate disclosure document has been fully completed and
8 signed and dated by the transferee and the transferor, if
9 applicable. If a separate damage disclosure document from a
10 prior owner is required to be furnished with the application
11 for title, the transferor shall provide a copy of the separate
12 damage disclosure document to the transferee at or before the
13 time of sale.

14 **b.** In addition to the information required in subsection
15 2, a separate disclosure document shall state whether the
16 vehicle's certificate of title indicates the existence of
17 damage prior to the period of the transferor's ownership of
18 the vehicle, and whether the vehicle was titled as a salvage,
19 rebuilt, or flood vehicle, and whether the vehicle was damaged
20 to the extent that it was a severely damaged vehicle during the
21 period of the transferor's ownership of the vehicle.

22 8. A person, authorized vehicle recycler licensed under
23 chapter 321H, or motor vehicle dealer licensed under chapter
24 322 shall not be liable to a subsequent owner, driver, or
25 passenger of a vehicle because a prior owner or lessee gave a
26 false or inaccurate damage disclosure statement or failed to
27 disclose that the vehicle had previously been damaged to the
28 extent that it was a severely damaged vehicle and repaired, or
29 had been titled on a salvage, rebuilt, or flood certificate
30 of title, unless the person, recycler, or dealer knew or
31 reasonably should have known that the prior owner or lessee
32 gave a false or inaccurate damage disclosure statement or
33 failed to disclose that the vehicle had been damaged to the
34 extent that it was a severely damaged vehicle and repaired, or
35 had been titled on a salvage, rebuilt, or flood certificate of

1 title.

2 9. Except for [subsections 10 and 11](#), [this section](#) does not
3 apply to motor trucks and truck tractors with a gross vehicle
4 weight rating of sixteen thousand pounds or more, vehicles more
5 than seven model years old, autocycles, motorcycles, motorized
6 bicycles, and special mobile equipment. [This section](#) does
7 apply to motor homes. The requirement in [subsection 1](#) that
8 the new certificate of title and registration receipt shall
9 state on the face whether a prior owner had disclosed that
10 the vehicle was damaged to the extent that it was a ~~wrecked~~
11 ~~or salvage severely damaged~~ vehicle ~~as defined in section~~
12 ~~321.52, subsection 4, paragraph "e",~~ does not apply to a vehicle
13 with a certificate of title bearing a designation that the
14 vehicle was previously titled on a salvage certificate of title
15 pursuant to [section 321.52, subsection 4](#), paragraph "c", or to
16 a vehicle with a certificate of title bearing a "REBUILT" or
17 "SALVAGE" designation pursuant to section 321.24, subsection
18 4 or 5. Except for [subsections 10 and 11](#), [this section](#) does
19 not apply to new motor vehicles with a true mileage, as defined
20 in [section 321.71](#), of one thousand miles or less, unless such
21 vehicle has incurred damage as described in [subsection 2](#).

22 Sec. _____. Section 321.69, Code 2019, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 13. For purposes of this section, "*severely*
25 *damaged vehicle*" means a motor vehicle that has been damaged to
26 the extent that the cost of repair exceeds fifty percent of the
27 fair market value of the vehicle, as determined in accordance
28 with rules adopted by the department, before the vehicle became
29 damaged.>

30 2. Page 1, after line 14 by inserting:

31 <Sec. _____. APPLICABILITY. This Act applies to applications
32 for a certificate of title submitted on or after July 1, 2019,
33 and to motor vehicle leases terminated on or after July 1,
34 2019.>

35 3. Title page, by striking line 1 and inserting <An Act

1 relating to damaged motor vehicles, including wrecked or
2 salvage motor vehicles and damage disclosure statements, making
3 penalties applicable, and including applicability provisions.>
4 4. By renumbering as necessary.

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